

Using strategy to lead and grow your business

By Khanyi Nzukuma, Chief Executive of Glacier by Sanlam

I recently had the opportunity to address a virtual gathering of the [Komani Development Foundation \(KDF\)](#), which is a group of young black professionals from Komani, in the Eastern Cape, seeking to support development in Komani and the surrounding areas. They're focused on education, entrepreneurship and leadership – with the aim to mobilise financial and intellectual resources to support their development projects.

I shared my views about challenges that face businesses in South Africa today and what businesses can focus on in order to keep winning. On business focus, I spoke about the importance of being a good leader - as well as excellent strategy execution - which was followed by a lively discussion.

South Africa today

COVID-19 arrived without warning in March 2020. At the time, we thought we'd be back to our version of normality in a few months. However, as we all know, that didn't happen and the past year has been extremely taxing and challenging for many people, both financially and emotionally.

The biggest challenge facing us today is how to apply the same energy we spent fighting the pandemic, to fighting unemployment, inequality and poverty. Considering the 2021 Budget of South Africa, it is evident that our country's financial resources are severely stretched. To meet its obligations, the State has to borrow from the market, and these loans come at a premium in terms of interest rates due to our non-investment, or 'junk status' grade, from the ratings agencies. As an example, the USA pays about 1% interest, whereas we pay about 9% interest on our long-term bonds.

Our second major challenge is to reach a point where we have a constant and sustainable supply of electricity. Interruptions in electricity supply is a major factor that discourages big business to invest in projects.

The long-term solution to our challenges is to grow the economy in order to reduce unemployment.

Government does have a plan and is starting to implement in a number of key areas, including:

- *Renewal of Eskom* – Government is looking into unbundling Eskom into separate entities and the debt issue is receiving attention. The sourcing of alternate energy sources is also being given consideration.
- *Enabling small and medium enterprises (SMMEs)* – through mentorship, funding and immediate payment of invoices.
- *Transformation in the agricultural sector* – which was the only growing sector in 2020 in terms of GDP.
- *Expansion of internet connectivity* – An example of this includes a tech consortium (including China Mobile, MTN and Facebook) building a cable to circle Africa – for completion by 2024 and which will double the available internet capacity.

Growing our businesses through leadership

While as individuals we don't have a lot of control over these bigger issues in the country and the economy, we do have more control over what happens in our businesses – and this is where leadership plays a big role.

Every person in a company can be a leader – it's a mindset rather than a job title. We may not have control over what happens to us, but we always have a choice in how we react. I always remind myself that in any situation we always have two choices: we can either step back into perceived safety or step forward into growth, in other words take charge and find opportunities and solutions that may not be immediately apparent. We should always avoid feeling like a victim.

The five types of people to surround yourself with are the inspired, the motivated, the open-minded, the passionate, and the grateful. We become like the people we spend most of our time with, so choose your company carefully.

Growing our businesses through strategy

Thinking like an entrepreneur means having a "big idea". An idea needs to be turned into an opportunity, which means it will have value if it is executed well. A good place to start, if you're struggling with your big idea, is to think of an existing problem you could solve for future customers. People are always willing to pay for solutions to their "pain points". Once you know you're solving an actual problem, consider whether your idea can be executed, i.e. are you able to do it, and is it scalable (can it grow into something bigger for your business), and is it something that you can continue doing over the long term?

Also consider what makes you or your company unique, and why customers would choose to do business with you.

As a leader, know what your strengths and weaknesses are, what you're good at and what you need to outsource. And remember too that the path to success is very often not a straight line. There are inevitable setbacks along the way, and that's when you need to draw on your passion, resilience and vision and keep working towards your goal.

Hard work, taking action and executing are everything. Have a strategic plan in place and know where you want to be in five years, but then spend at least 70% of your time on execution and 30% on strategy formulation and communication.

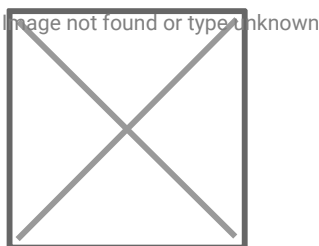
Leaving a legacy

When your business starts growing, you'll want to start considering estate planning, in addition to investment planning, to ensure that you're able to leave a legacy for your family, and also that there's a plan in place for your business should you pass away. A suitably qualified and authorised financial adviser is invaluable in guiding you in your investment and estate planning decisions, and also in acting as a sounding-board.

Conclusion

I urge young people to set their own goals, and don't try to compete with others. Rather, aim to be the best version of yourself that you can be. Think how you could offer something unique or acquire skills that others don't have. Try to imagine yourself at age 60, and how you would like to have lived your life. Are you taking daily steps to make that a reality? Having a vision is the starting point to making it happen.

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Khanyi Nzukuma obtained a BA in Psychology from Rhodes University in 1991. He then obtained a Masters in Business Administration from Potchefstroom University in 1998 and a Doctor of Psychology degree from the University of Johannesburg in 2011. Khanyi joined Sanlam in 1994, where he spent 11 years, starting as a Financial Adviser, and thereafter occupied a number of junior and senior management roles. He joined MMI Holdings in 2008, where he spent eight years, starting as a CEO of Metropolitan. In 2017 he was appointed CEO of Momentum. In January 2018 he left MMI and re-joined Sanlam as CEO of Glacier by Sanlam.

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